

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 3, 2010



**CHENIERE ENERGY, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**1-16383**  
(Commission File Number)

**95-4352386**  
(I.R.S. Employer Identification No.)

**700 Milam Street**  
**Suite 800**  
**Houston, Texas**  
(Address of principal executive offices)

**77002**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 375-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 8.01 OTHER EVENTS.**

On June 3, 2010, Cheniere Energy, Inc. and Cheniere Energy Partners, L.P. issued a joint press release regarding the initiation of a project to add liquefaction services at the Sabine Pass LNG receiving terminal. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference herein.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

d) Exhibits

**Exhibit Number Description**

99.1\*                      Press Release, dated June 3, 2010.

\* Filed herewith.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHENIERE ENERGY, INC.  
By: /s/ Meg A. Gentle  
Name: Meg A. Gentle  
Title: Senior Vice President and  
Chief Financial Officer  
Date: June 3, 2010

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EXHIBIT INDEX

**Exhibit Number**   **Description**

99.1\*      Press Release, dated June 3, 2010.

\* Filed herewith.

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**CHENIERE ENERGY PARTNERS, L.P. and CHENIERE ENERGY, INC. NEWS RELEASE****Cheniere Energy Partners Initiating Project to Add Liquefaction Capabilities at the Sabine Pass LNG Terminal**

**Houston, Texas – June 3, 2010** – Cheniere Energy Partners, L.P. (“Cheniere”) (NYSE Amex: CQP), a subsidiary of Cheniere Energy, Inc. (NYSE Amex: LNG), announced today that its general partner’s Board of Directors has approved the initiation of a project to add liquefaction services at the Sabine Pass LNG receiving terminal in Cameron Parish, Louisiana. Adding liquefaction capabilities would transform the Sabine Pass terminal into a bi-directional facility capable of liquefying and exporting natural gas in addition to importing and regasifying foreign-sourced LNG. Cheniere expects to take advantage of the existing infrastructure at the Sabine Pass terminal to offer customers bi-directional services at attractive pricing. Based on preliminary estimates, the expected fee for bi-directional services will be approximately \$1.40/MMBtu to \$1.75/MMBtu. This added service would provide customers with an attractive option to source natural gas supply from the U.S. pipeline grid at prices indexed to Henry Hub.

“We believe current market fundamentals have created an opportunity for the U.S. to offer natural gas to global markets at competitive prices. The U.S. is experiencing an increase in natural gas production, primarily driven by unconventional gas plays, while natural gas demand in the U.S. continues to lag behind market projections. Due to the depth of the markets in South Louisiana with an abundance of supply and existing pipeline infrastructure, we can provide an additional outlet for U.S. natural gas production while offering a low cost source of supply for global buyers seeking alternatives to oil-indexed contracts,” said Charif Souki, Chairman and CEO. “The ability to buy or sell natural gas in one of the world’s most liquid natural gas markets provides industry players with a very powerful tool to manage their portfolios. We have begun pursuing contractual arrangements related to the project and have received favorable preliminary indications of market interest from both potential natural gas buyers interested in capacity and U.S. natural gas producers interested in committing supply to the project. Furthermore, we believe the opening of new markets for U.S. natural gas would reduce price volatility, increase stability in markets, and support continued energy investments in the U.S.”

The Sabine Pass site can readily accommodate up to 4 LNG trains capable of processing approximately 2 Bcf/d of natural gas. The capacity of each liquefaction train would be approximately 3.5 million tons per annum (mtpa). The initial project would include two trains with liquefaction capacity of approximately 1 Bcf/d. Further expansion would be considered based upon customer interest.

Cheniere estimates that it can construct liquefaction capacity comparable to liquefaction expansion economics since the Sabine Pass terminal already has many of the needed facilities for an export terminal. Cheniere would use its existing infrastructure, including five storage tanks and two berths at the Sabine Pass terminal, as well as Cheniere Energy Inc.’s 94-mile Creole Trail Pipeline, which would be reconfigured as a bi-directional system. The 853-acre Sabine Pass site is strategically situated to provide export services given its large acreage position, proximity to unconventional gas plays in Louisiana and Texas, and its interconnections with multiple interstate and intrastate pipeline systems.

Cheniere plans to work with Bechtel Oil, Gas and Chemicals, Inc. to design and construct the liquefaction facilities, using the ConocoPhillips Optimized Cascade® liquefaction technology. This proven process has been successfully deployed at several LNG export terminals around the world, and offers a high degree of reliability and control.

Assuming typical project development scenarios, Cheniere anticipates LNG export could commence as early as 2015. Cheniere plans to make a request to the Federal Energy Regulatory Commission to begin the NEPA pre-filing process by the end of June 2010. Cheniere will work with federal and state regulators to facilitate the permitting process. Commencement of construction is subject to regulatory approvals and a final investment decision contingent upon Cheniere obtaining satisfactory construction contracts and long-term customer contracts sufficient to underpin financing of the project.

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Cheniere and Cheniere Energy, Inc. will host a live webcast at 3:00pm EDT on Friday, June 4, 2010 to discuss this project. Participants are encouraged to access the webcast and "Sabine Pass Facility Expansion" presentation which will be available at either [www.cheniereenergypartners.com](http://www.cheniereenergypartners.com) or [www.cheniere.com](http://www.cheniere.com).

A limited number of phone lines will also be available at (800) 860-2442. International callers should dial (412) 858-4600. All callers should ask for the "Cheniere Company Update Call." Replays of both the conference call and webcast will be available for two weeks at [www.cheniereenergypartners.com](http://www.cheniereenergypartners.com) or [www.cheniere.com](http://www.cheniere.com).

Cheniere owns 100 percent of the Sabine Pass LNG receiving terminal located in western Cameron Parish, Louisiana on the Sabine Pass Channel. The Sabine Pass terminal is now operating with sendout capacity of 4.0 Bcf/d and storage capacity of 16.9 Bcfe. Additional information about Cheniere Energy Partners, L.P. may be found on its website: [www.cheniereenergypartners.com](http://www.cheniereenergypartners.com).

Cheniere Energy, Inc. is a Houston-based energy company primarily engaged in LNG related businesses, and owns and operates the Sabine Pass LNG receiving terminal through its 90.6 percent ownership interest. It also owns and operates the Creole Trail pipeline in Louisiana. Cheniere is pursuing related business opportunities both upstream and downstream of the Sabine Pass LNG receiving terminal. Additional information about Cheniere Energy, Inc. may be found on its web site at [www.cheniere.com](http://www.cheniere.com).

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding business strategy, plans and objectives of Cheniere Energy Partners and Cheniere Energy, Inc. and (ii) statements expressing beliefs and expectations regarding the development of Cheniere Energy Partners' and Cheniere Energy, Inc.'s business, including the planned liquefaction project. Although Cheniere Energy Partners and Cheniere Energy, Inc. believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere Energy Partners' and Cheniere Energy, Inc.'s actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere Energy Partners' and Cheniere Energy, Inc.'s periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, neither Cheniere Energy Partners nor Cheniere Energy, Inc. assume a duty to update these forward-looking statements.

**CONTACTS:**

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